

# EXHIBIT A

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF NEW YORK

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CONSUMER FINANCIAL  
PROTECTION BUREAU ET AL,  
Plaintiff

Vs.                                      Buffalo, New York  
STRATES, LLC (f/k/a STRATEGIC  
FINANCIAL SOLUTIONS LLC et al                      March 6, 2025  
Defendants

STRATEGIC ESOP, et al  
Relief Defendants  
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TRANSCRIPT OF ORAL ARGUMENT  
BEFORE THE HONORABLE MICHAEL J. ROEMER  
UNITED STATES MAGISTRATE JUDGE

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1 Blust. So we know at least until February '23 he was  
2 involved.

3 Now, what do I expect happened after we  
4 filed our order to show cause two days -- you know,  
5 three days later? My guess is he stepped back.  
6 Right? He still controls it. I'm sure he still owns  
7 it. He's still getting funds from it or we'll find  
8 that out eventually, but Mr. Blust runs his businesses  
9 this way. He's always got somebody in the front.

10 That Daniel Rufty case from out of North  
11 Carolina where this poor first year attorney is the  
12 owner of the company and 97% of the revenues go to  
13 Blust through some consulting agreement. That's how  
14 he operates, and that's what happened here. Fidelis  
15 was created because Lit Def replaced Relialit because  
16 the name got too hot.

17 And then in '20 and '21 and you can see it  
18 in Blust's own declaration he had been sued. He had  
19 been sued by Ice Legal, a number of cases. He had  
20 been sued -- he had been called out by the North  
21 Carolina Bar for his involvement with Rufty and then  
22 Rufty sued him so what did he want to do? He wanted  
23 to get his name off and that's exactly what he did.

24 He used Fidelis with the front man Christo  
25 to get his name off because he had been sued. So

1 Blust demonstrated without question that Fidelis was  
2 the successor, that Blust controlled it, and that the  
3 declarations that were previously filed were lies.  
4 And so I don't -- you know, I'm glad to go through the  
5 declaration if you would like but --

6 THE COURT: That's okay.

7 MR. MCNAMARA: Right. So.

8 THE COURT: Assuming the Court would agree  
9 with everything said, what's the remedy? What are we  
10 looking for?

11 MR. MCNAMARA: So we filed a motion on the  
12 order to show cause. Mr. Blust needs to turn over  
13 Fidelis. Christo is a front man. There's no  
14 question. He's a front man, and all this argument  
15 today about -- it's almost mind blowing because he's  
16 just a facade.

17 THE COURT: When you say he's got to turn  
18 over Fidelis, how -- is that different at all than  
19 just the Court names them as a receivership defendant?

20 MR. MCNAMARA: No.

21 THE COURT: Is there something extra?

22 MR. MCNAMARA: No. As a practical matter,  
23 there's no difference.

24 THE COURT: Okay.

25 MR. MCNAMARA: And we would -- you know, we

1 would be happy. You know, I disagree that that --  
2 those Fidelis receivership defendant motion is moot.  
3 I don't think it is. I think it's just pending, and  
4 we filed. We demonstrated that Blust owns or controls  
5 Fidelis, and by the way, we don't have to demonstrate  
6 that he entirely controls. That was your question.  
7 It's just controls, some control, and that's what we  
8 have. He's a named defendant. This business is  
9 related to the underlying business at issue in this  
10 case, and he controls it.

11 At a minimum in part, I would suggest to the  
12 Court that entirely but at a minimum in part, and  
13 that's all we need to determine as a receivership  
14 defendant, and at that point, those assets and those  
15 records should come over. There's some real concern  
16 here, Judge, and we've reflected in our papers that  
17 over the last year there could have been a dissipation  
18 of assets, you know, destruction of evidence,  
19 destruction of records.

20 While that's normally not something that we  
21 would have served, but given that they filed  
22 declarations which are at their heart perjurious, you  
23 know, I think that's a fair concern on our part. So  
24 as a practical matter naming them as a receivership  
25 defendant solves our issues I think. So in addition,

1 proposing in open Court I think would be punishable.  
2 It wouldn't be coercive.

3 But beyond that, I think we made clear that  
4 we acknowledge that there was a level of supervision  
5 and control that Mr. Blust the email showed it  
6 standing up here in our papers and saying that that's  
7 not there but for what the relief is that's being  
8 requested by Mr. McNamara which is the turn over, to  
9 me the only way he could possibly do that is if the  
10 evidence showed by clear and convincing evidence that  
11 he had complete control of Fidelis, and he  
12 acknowledged when he was standing up here well, he had  
13 some control.

14 I don't think some is enough to support the  
15 relief that he's requesting. You point out maybe  
16 there's a different way to get to that which is to  
17 make Fidelis a subject to the injunction, but as far  
18 as the suggestion that Mr. Blust can do that, I just  
19 don't think he can, and when I saw that, I got  
20 concerned. He got -- he said Rod, what am I supposed  
21 to do? And I don't know what are you supposed to do,  
22 but to the extent that's going to be the basis for the  
23 contempt finding our point is you would have to find  
24 by clear and convincing evidence that he had complete  
25 control of Fidelis to be able to force Mr. Christo to

1 MR. PERSONIUS: Yes.

2 THE COURT: Not that he was in control of  
3 Fidelis.

4 MR. PERSONIUS: Right, but with the evidence  
5 that's been uncovered, we do -- there's no question  
6 there's a level of control there. It's just a  
7 question of how much, and the only other point I can  
8 make on that to repeat myself is if it's turning over  
9 Fidelis that's supposed to be the remedy, he can't do  
10 it. And I don't think the evidence -- he shouldn't be  
11 directed to do that based on -- based on the evidence  
12 in the case. I think that's it, Judge. Thank you.

13 THE COURT: Mr. McNamara?

14 MR. MCNAMARA: Very briefly, Your Honor. So  
15 I just took some scribbled notes as we went through  
16 and so I'll just go through them one at a time if I  
17 can. We have heard from both Mr. Hoover and now Mr.  
18 Personius that there are no advance fees being taken.  
19 I don't know that. I'm relying on their word for it  
20 because they're relying on their client's word for it  
21 but I don't know that, and given the way that Mr.  
22 Blust has operated these law firms because he controls  
23 them and Fidelis and Lit Def.

24 That's what they claim is no advance fees  
25 are taking but I don't have the inside to that if we